

SB 161 STAFF MEASURE SUMMARY

Senate Committee On Finance and Revenue

Action Date: 05/31/17

Action: Without recommendation as to passage and request referral to Tax Credits.

Vote: 5-0-0-0

Yeas: 5 - Baertschiger Jr, Boquist, Hass, Riley, Taylor

Fiscal: Fiscal impact issued

Revenue: No revenue impact

Prepared By: Paul Warner, Legislative Revenue Officer

WHAT THE MEASURE DOES:

Directs the Department of Revenue and the Legislative Revenue Office to conduct a review of the definition of "tax expenditure." The review is to focus on the application of the term to the tax expenditure report prepared each biennium by the Department of Revenue. The report on the results of the review is to be submitted to the Legislature prior to February 28, 2018.

ISSUES DISCUSSED:

- History of tax expenditure report.
- Impact of state policy on different tax expenditures.
- Work of the Joint Tax Credit Committee.

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

The Budget Accountability Act, approved in 1995, requires the Department of Revenue, with the assistance of the Department of Administrative Services, to prepare a tax expenditure report every biennium in conjunction with the Governor's Budget. The first tax expenditure report was released in 1996 based on estimated tax expenditures for the 1997-99 biennium.